

I. Introduction

Ladies and gentlemen, thank you for the opportunity to briefly address you today at the celebration of the 70th Anniversary of the Charter of the Kingdom of the Netherlands.

The signing of the Charter marked a watershed moment in the transition to a new constitutional system of the Kingdom. To be more exact, "…a new constitutional order in the Kingdom of the Netherlands, in which they [the constituent countries] will conduct their internal interests autonomously and their common interests on a basis of equality and will accord each other assistance…"¹.

Notwithstanding the history of the Charter and the spirit in which this was conceived 70 years ago, allow me to share some reflections as a central banker, on the Charter from a contemporary climate justice perspective.

II. Charting Just Climate Futures

In terms of climate change, the case of justice centers on several questions addressing the problem of the distribution of emission reduction burdens among countries, in addition to the uneven distribution of adverse impacts of climate change over countries and people. These questions are particularly relevant considering the diverse local conditions and respective emission contributions in the Kingdom of the Netherlands.

However, climate justice also concentrates on the imbalance in the distribution of power in climate policy development, as well as the deficit in the recognition of diversity, in addition to the inclusion of multiple perspectives in climate governance.

While questions of distributive justice are well acknowledged and oftentimes contested, it is the latter question of *justice in climate policy and governance in the Kingdom of the Netherlands* that draws our attention in review of the Charter of the Kingdom of the Netherlands.

¹ Preamble to the Charter of the Kingdom of the Netherlands (1954).

In charting climate just futures, we have to ensure that our constituent countries and respective governments:

- Have and exercise substantive legal and procedural rights relating to the enjoyment of a safe, clean, healthy, and sustainable environment, and
- 2. Have the means to take or cause measures to be taken within our national legislative and judicial systems, where necessary, at regional and international levels; and
- Are capable of efficient climate mitigation as well as effective climate adaptation in a manner that engenders equity and respects human rights².

Consistent with the UN declaration that "access to a clean, healthy, and sustainable environment is a universal human right"³, climate just futures emphasize that all people (ought to) have the agency to live life with dignity.

So, in charting climate just futures, the first step is *recognizing that climate change is a human rights issue*. This means that equity and justice need to be prioritized in climate policy and climate resilient development.

Last year, the Netherlands Scientific Council for Government Policy published an interesting report on "Justice in Climate Policy: Distributing Climate Costs Fairly" ⁴. The publication addresses the importance of a just and inclusive climate policy in the Netherlands and alludes to a deficit in climate justice in the Kingdom. This is especially the case, when considering Article 41, paragraph 2 of the Charter that "the interests of the Kingdom shall be a matter of common concern to the Countries".

Now, allow me to share some thoughts and elaborate on at least two important dimensions of climate justice, namely (i) distributive justice and (ii) procedural justice, and how these guide the charting and pursuit of climate just futures, thereby acknowledging the clear and present diversity of constituent countries within the Kingdom.

³ Climate change is a matter of justice – here's why | UNDP Climate Promise

² Climate Change Justice and Human Rights Report.indb

⁴ Justice in climate policy more important than ever | News item | The Netherlands Scientific Council for Government Policy

II. Distributive Climate Justice

The first dimension of climate justice focuses on the just *distribution of the costs of climate change*. In the view of the Netherlands Scientific Council for Government Policy, *distributive climate justice* is central to climate policy and climate governance.

Distributive climate justice deals with how the costs and benefits of climate mitigation and climate adaptation are shared. The distribution of climate costs and the disproportionate impact of climate change on vulnerable states and societies have been center stage in many of the international climate negotiations and litigations. In fact, currently, the International Court of Justice hearings on the obligations of States in respect of climate change are underway⁵.

The distributive question of climate justice addresses the access to and allocation of resources, rights, risks, and responsibilities⁶. More importantly, it deals with questions of intra-generational, as well as inter-generational equity, and how resources, risks, and responsibilities are shared geographically and over time.

Distributive climate justice highlights the well-known United Nations Framework Convention on Climate Change, the UNFCCC, **principle of 'Common but Differentiated Responsibilities and Respective Capabilities'** (CBDR–RC).

This principle is enshrined in the 1992 UNFCCC treaty and states that the "...the global nature of climate change calls for the widest possible cooperation by all countries and their participation in an effective and appropriate international response, in accordance with their common but differentiated responsibilities and respective capabilities and their social and economic conditions"⁷.

In my opinion, the notion of differentiated responsibilities and respective capabilities is, in spirit, akin to Article 35 of the Charter, namely, that the constituent countries shall contribute, to <u>an extent consonant with their resources</u>, to the cost of safeguarding the Kingdom, and to <u>the extent that they benefit the constituent countries respectively</u>.

⁵ International Court of Justice Hearings on the Obligations of States in Respect of Climate Change | IISD Earth Negotiations Bulletin.

⁶ The Economics of Water: Valuing the Hydrological Cycle as a Global Common Good

⁷ United Nations Framework Convention on Climate Change (1992).

Consequently, in charting climate just futures, explicit acknowledgement and account of country-specific responsibilities and rights, as well as national risks and resources are a key enabling condition in the pathway towards fostering climate justice in the Kingdom of the Netherlands.

Although the Charter does not make reference to climate change nor climate justice – then again, nor do the established Country Packages of 2020 –, in Article 27 reference is made to the promotion of effective economic, financial, and monetary relations between the constituent countries based on mutual arrangements and common consent stated in Article 38. In addition to monetary and financial affairs, Article 27 of the Charter also refers to matters of critical infrastructure, comprising industry, banking, transportation, and communication.

In contemporary terms, these aspects of *vital infrastructure*, extended by energy, water, food, and health services, face significant risks from climate change, especially when considering the exposure and vulnerability of our small open economies. As islands in the Kingdom, we completely depend upon trade, tourism, and nature-based services, in generating foreign exchange reserves, safeguarding financial stability, and maintaining general economic security.

The former is within the remit of central banking, and accentuates that our central banks have an important, albeit *supporting*, role to play in climate resilient development in which monetary policy complements fiscal, climate, and other structural policies of the government. Thereto, pathways for fostering climate justice should embrace the *complementarity* between government policy domains, as well as the *coherence* between vital infrastructure policies, monetary and fiscal policies, as well as climate policies.

Consequently, charting climate just pathways require the mainstreaming and coordinating of climate decisions across policy domains and levels, based on national circumstances, and in the context of Kingdom-wide cooperation.

Notwithstanding the aforementioned, the Netherlands Scientific Council for Government Policy concludes that there is often only limited discussion about the just distribution of costs *prior to* establishing a climate agenda and developing climate policies, especially across governance scales from global to local. Too often, distributive justice emerges as an 'afterthought'.

Basically, it remains 'implicit' and is insufficiently addressed in climate policy development and implementation⁸.

In charting climate just futures, it is essential that questions of distributive justice are **explicitly discussed and incorporated prior to setting a climate agenda and developing climate policies**. This requires the **ex-ante** assessment of risks, responsibilities, and resources, as well as respective capabilities and socioeconomic vulnerabilities within each of the countries in the Kingdom of the Netherlands.

This raises interesting distributive climate justice questions with the Kingdom of the Netherlands, especially considering that earlier this year the respective constituent countries of the Kingdom presented a climate agenda to address climate change⁹.

This "Climate Agenda of the Kingdom of the Netherlands: Toward Climate Resilient & Sustainable Islands" aims to enhance cooperation, financing, and knowledge sharing on climate change and sustainability within the Kingdom.

The Climate Agenda recognizes that "...despite the minimal contribution of the Caribbean Netherlands to climate change, the islands are highly vulnerable to its effects. Key initiatives focus on accelerating the energy transition. Investment will also be made in infrastructure for the production, storage, and use of sustainable energy. Additionally, the development of water management systems to capture excess water during heavy rainfall is a priority".

Notwithstanding the good intentions of the Climate Agenda, the apparent omission of questions and clarifications on, for instance, the 'conditionalities' to access and allocation of rights, responsibilities, risks, and resources raise concerns from a distributive climate justice perspective.

In line with the previous observations of the Netherlands Scientific Council for Government Policy that the Dutch Caribbean is excluded from international climate treaties and climate finance, even from within the Kingdom, and considering that we are already experiencing the brunt and existential threat of climate change, the viability and equity of the current Climate

⁹ Nederland en het Caribisch deel van het Koninkrijk slaan handen ineen tegen klimaatverandering | Nieuwsbericht | Rijksoverheid.nl

⁸ Rechtvaardigheid in klimaatbeleid. Over de verdeling van klimaatkosten | Rapport | WRR

Agenda should be fully reviewed. In fact, the Netherlands Scientific Council for Government Policy laments the enduring 'climate deficit' in the Dutch Caribbean.

In pursuing climate just futures, it is necessary to validate the Climate Agenda with explicit consideration and incorporation of the principles of distributive climate justice. This implies a revaluation of the Climate Agenda. In essence, it is not just a matter of setting a Climate Agenda in the Kingdom. More importantly, it is about shaping a new Climate *Just* Agenda *by* and *for* the Kingdom.

During the Small States Forum held during the annual Fall meetings of the International Monetary Fund (IMF) and the World Bank¹⁰, the representative of the Netherlands emphatically stated continued dedication to helping small states and developing countries become more resilient to climate change.

Likewise, "At COP29, the Netherlands will draw attention to the preservation of quality jobs, decent work, the protection of, in particular, the most vulnerable, and for the importance of broad, inclusive cooperation with relevant parties from society"¹¹. These recent statements and commitments engender great expectations and raise some questions:

How do we facilitate broad and inclusive cooperation with relevant parties within the Kingdom?

How do we assure the firm commitment to realize innovative and equitable financing solutions for resilience and prosperity within the Kingdom?

How do we muster the political and economic will to assist one another based on one's strength?

The answers to these guiding questions are fundamental to charting new climate just futures. More importantly, answers that embrace our unique conditions and competencies in the Kingdom.

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¹⁰ Small States Forum October 2024

¹¹ Kamerbrief over verwachtingen en inzet VN-klimaatconferentie COP29 | Kamerstuk | Rijksoverheid.nl

III. Procedural Climate Justice

In addition to distributive climate justice that addresses 'just ends', just climate futures also attends to matters of 'just means'¹². This is the second dimension of climate justice. The effective mitigation of and adaptation to climate change can only be considered equitable and just to the extent that they consider, include, and *structurally engage local society and stakeholders across public and private sectors, as well as civil society and marginalized communities*.

This notion of inclusive climate policy development is central to safeguard just procedures in climate policy¹³. Thus, while distributive climate justice is necessary, it is not sufficient. *Just procedures and equitable engagement are a sine qua none for charting climate just futures*.

Consequently, it is fundamental to identify and engage not only government authorities and scientific experts, but also civil society and vulnerable members of society. It is imperative to strengthen the inclusion and involvement of diverse stakeholders throughout climate policy development process.

Procedural climate justice focuses on the inclusiveness through equitable and transparent processes. It comprises providing access to information, decision-making, and civic space. Practices of procedural climate justice move beyond 'symbolic consultations' to pro-actively and structurally engage different stakeholders, especially those most vulnerable and marginalized.

Assuring procedural climate justice enables people to develop informed opinions, as well as participate in and shape the process and outcome of decision-making and policy development. Just procedures are important to assuring *transparent and accountable decision-making processes in place*¹⁴. So, the emphasis is not only how decisions are made, but more importantly, what information and knowledge are used, and by whom in the decision-making process.

¹³ Rechtvaardigheid in klimaatbeleid. Over de verdeling van klimaatkosten | Rapport | WRR

¹² Safe and just Earth system boundaries | Nature

¹⁴ Toward transformative climate justice: An emerging research agenda - Newell - 2021 - WIREs Climate Change - Wiley Online Library

Hereto, it is vital to assure the public accessibility and availability of relevant climate data. The regular disclosure and timely publication of climate policy decisions and climate financials should be mandated, in order to strengthen climate just futures. This fosters transparency and spurs accountability in climate decision-making and decision-implementation processes.

In governing from a climate just future, a new Climate Agenda of the Kingdom of the Netherlands should consider some additional guiding questions:

Who is involved and engaged in the formulation and implementation of the Climate Agenda?

How are stakeholders, including local civil society organizations and non-government representatives able to contribute their perspective and expertise?

How transparent are the negotiation and the formulation of the Climate Agenda conducted?

How do we execute the new Climate Agenda with equitable conditions and facilities for finance and capacity building?

These questions underscore the *foundational importance* of *good governance* for safeguarding justice in climate policy development.

To strengthen procedural climate justice, sound principles of good governance are fundamental¹⁵. Good governance is a cornerstone of democracy and one of the main building blocks of the Charter of the Kingdom of the Netherlands. It is a topic that has been discussed and debated for as long as the Charter has existed. Without good governance and the requisite institutional capacity, climate resilience in the Caribbean Netherlands remains fleeting, and adequate finance for effective and equitable climate action ephemeral.

Having good climate governance fosters trust, enhances legal and regulatory certainty, and prioritizes inclusive, transparent, and equitable decision-making. Moreover, it strengthens the rule of law and deepens citizen rights and responsibilities.

¹⁵ IPCC AR6 SYR SPM.pdf

In summary, the charting of climate just futures for the Kingdom of the Netherlands needs to be legally and ethically grounded in principles of good governance. Consequently, there is a clear need to establish just and equitable Climate Acts, in addition to Climate Governance Acts, and related national legislation. Without legal anchoring and enforcement, climate justice remains a mirage.

In a recently completed study on climate change and adaptation efforts in the Caribbean Netherlands concluded that "the islands are currently lacking a clear framework in which governance plans are made, executed, evaluated and adapted where necessary. Governmental bodies across the islands indicate that they struggle to deploy sufficient capacity, budget, and expertise"¹⁶.

It follows that charting climate just futures requires sufficient, adequate, and structural access to and allocation of financial capital and institutional capacity. So, I would urge you to consider the formation of a Dutch Caribbean Climate Resilient Development Corporation, in line with a previously submitted motion by the Dutch House of Representatives for establishing a regional development corporation¹⁷. This would be a clear pathway in enabling climate justice by and for the Kingdom of the Netherlands.

IV. Conclusion

Distinguished guests, in concluding my presentation, it is obvious that there are no technical short cuts or 'silver bullets' to foster climate justice for the Kingdom of the Netherlands. However, I do believe that there is a 'silver lining' on the horizon, if and when we, as a 'Whole-of-Kingdom, willfully decide to govern and act from the future; not from the past.

I am convinced that the constituent countries of the Kingdom have a window of opportunity to recognize, redress, restore, and reinvigorate distributive and procedural justice in their

¹⁶ Climate change and adaptation efforts BES islands | Tweede Kamer der Staten-Generaal

¹⁷ <u>Vaststelling van de begrotingsstaten van Koninkrijksrelaties (IV) en het BES-fonds (H) voor het jaar 2023 | Tweede Kamer der Staten-Generaal</u>

prospective climate policies towards realizing their aspirations and ambitions for a climate just future based on their own terms.

The seizing of this opportunity generates a significant momentum in the pathway to climate justice by thrusting the *explicit* and *ex-ante* incorporation of distributive and procedural justice in national climate policy development. This provides a unique space of inclusive climate governance based on principles of equity and justice. Therefore, I strongly urge and recommend constituent stakeholders to consider the different climate just principles and pathways presented, as they move forward with climate policy development and national adaptation planning.

This is not an easy pathway. But with the determination to assist one another and relying on our unique strengths, it will be worth a climate just future by and for the Kingdom of the Netherlands, serving as a beacon of resilience for the rest of the world. Thank you for your attention.